IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.

I.T.A. No.56 of 2006
Date of decision: 11.12. 2006

M/s Nahar Spinning Mills Limited, Ludhiana.

-----Appellant

Vs.

The Commissioner of Income Tax (Central), Ludhiana.

-----Respondent

CORAM:- HON'BLE MR JUSTICE ADARSH KUMAR GOEL
HON'BLE MR JUSTICE RAJESH BINDAL

Present: Mr. Sanjay Bansal, Advocate
for the appellant.

Mr. S.K. Garg Narwana, Advocate
for the respondent.

ORDER:

This appeal has been preferred by the assessee against the order dated 30.08.2005 of Income Tax Appellate Tribunal, Chandigarh Bench-A, Chandigarh (for short, "the Tribunal") passed in Cross Objection No.17/Chandi/2003 arising out of I.T.A. No.294/Chandi/2003 in respect of the assessment year 2000-2001, proposing following substantial questions of law:-

"(i) Whether on a correct and proper interpretation of the provisions of Section 80-IA of the Act and application thereof to the facts and circumstances of the case, was the Tribunal legally correct in holding that the claim of deduction U/s 80IA in respect of Interest Income derived from its business, made by the appellant was not sustainable?

(ii) Whether on the facts and in the circumstances of the case, the Tribunal has misdirected itself in law and as well as on facts in holding that the appellant was not entitled to deduction u/s 80-IA of the Act claimed by the assessee?

(iii) Whether the finding returned and recorded by the Tribunal while holding that appellant was not entitled to deduction u/s

80-IA by wrongly applying the earlier decision given in C.O. No. 130/CHD/1993 for Asstt. Year 1990-91 which was in respect of deduction Under Section 80-I of the Act is perverse?

In view of order passed today, in I.T.A. NO.55 of 2006, ***M/s Nahar Spinning Mills Ltd., Ludhiana*** v. ***Commissioner of Income Tax (Central), Ludhiana*** in respect of the assessment year 1999-2000, this appeal is also dismissed.

(ADARSH KUMAR GOEL)
JUDGE

December 11, 2006 **(RAJESH BINDAL)**
ashwani **JUDGE**